

Executive Summary of BIRD Project Proposal

(Maximum 4 pages)

	Israeli Company	U.S. Company
Full company name (as appears on the Certificate of Incorporation)	Inteligels (a company in formation)	271 Lake Holdings, LLC, d/b/a Veritas Farms, Inc.
Company locations (headquarters and relevant division address, including full street address, state, city, zip code)	TBD	8648 Lake Davis Road, Pueblo, CO 81005 1512 E Broward Blvd #300 Ft. Lauderdale, FL 33301
Company website	www.inteligels.com	www.theveritasfarms.com
Year established	2020	2011
Revenues: most recent fiscal year 2019	\$ 0 million	\$ 6.54 million
Increase / (Decrease) over previous year	0 %	213 %
Number of employees	5	100+
Ownership Structure (public, private, main investors, etc.)	Private Investments:\$1M by 2 Israeli Innovation Government grants and by the founders	Public
Percentage ownership of the company by the other company	0%	0%
Relationship of the companies – - Parent/Subsidiary - Common Ownership - No common relationship - Other	No relations between companies	
Number of previous BIRD projects	0	0

Israeli Company Registration Number	TBD
U.S. Company DUNS Number	080432405

Expected project title	Slow Release Solid Liquid Hemp Oil Polymer
Estimated project budget	\$2,000,000
Expected project duration	24 months

1. Abstract

Veritas Farms, the American company, and Inteligels, the Israeli company, are entering into a partnership that aims to jointly and rapidly develop, test, and commercialize a ***novel form of slow-release vehicle for relief of pain***. This novel product will feature ***painless*** application to the foot, where its unique properties can durably ***overcome the challenges of an irregular anatomical shape***; this initial product serves as a platform for numerous future product ramifications. By combining Inteligels' patented inert, biocompatible, phase-changing polymer with Veritas's specially designed hemp oil extracts, we intend to deliver to injured patients a durable relief of pain. Inteligels' SLB polymer is a novel and unique delivery system that can be calibrated and is optimally designed to carry, target, and deliver therapeutic molecules, such as hemp oil, with high

efficiency and low cost; upon removal, the polymer bio-degrades. In this project period, SLB polymer from Inteligels will combine with and deliver therapeutics from Veritas Farms, a vertically integrated, publicly traded, and well capitalized agribusiness. Veritas Farms is a fast growing manufacturer and distributor of hemp oil and hemp oil products with close ties to its customer base and leading US retailers. Veritas Farms and Inteligels are perfectly matched for development and commercialization of the slow-release hemp oil product.

2. Company Backgrounds

Veritas Farms

Veritas Farms is a **vertically integrated, publicly traded** (OTCMKTS: VFRM) producer of hemp oil products for the consumer market. Veritas Farms' full spectrum hemp oil is produced from hemp grown on its own organic farm located outside of Pueblo, Colorado. The company has extensive experience with bringing consumer products to market, including over 70 individual stock keeping units (SKUs) covering over-the-counter health, beauty, and veterinary products containing hemp oil. Veritas Farms has an **active research and development program** specifically designed for identifying how full spectrum hemp oil can **alleviate pain** and improve customer lives. Veritas Farms is **well capitalized**, having recently closed a \$15 million funding facility to support its expansion. It is aggressively **designing new products**, such as the newly launched Veritas Pets; **expanding its operational capabilities** through leasing 34,000 new square feet of facility near the Denver airport; developing **new routes to market**, such as with a new partnership with Wynn-Dixie's 152 Florida and Georgia supermarkets.

Inteligels

Inteligels is a new company formed by **highly experienced business executives** with extensive experience and networks in Israel, the United States, and Europe. Its technology consists of a smart and **revolutionary polymer** which allows liquid coating and physical barrier on **any wounded, burned, or intact skin on any body part of any shape**. The SLB (Solid Liquid Bandage) creates a flexible and easy to apply bandage that can be easily triggered to revert to liquid and painlessly removed. The SLB technology was developed at the Hebrew University of Jerusalem by Professor Daniel Cohn, a world-renowned inventor of implantable polymers. Inteligels holds the exclusive patents rights, with *Yissum*, the Hebrew University technology transfer arm, as a minor share holder. Prof. Cohn and past students will be part of this project,

3. The Innovation:

Product Description: A specially designed solid-liquid polymer from Inteligels, containing Veritas Farm Full Spectrum Hemp Oil.

This special material sets and becomes water resistant when it comes in contact with skin and can be easily -- **and painlessly** -- removed with tap water. This tight contact to skin allows for maximum availability of hemp oil, delivering pain relief without a mess. Full spectrum hemp oil contains several active compounds without any psychoactive effects, and the entourage effect of providing all of these compounds together provides **greater symptom relief** than any one isolated compound.

This product will initially be marketed for use specifically for problems with **foot and ankle pain**. Typically, pain relief salves are messy and cannot maintain contact with problem areas of the foot. Likewise, bandages and pads are not flexible enough to wrap around and stay in contact either.

Innovations with this Product

The Slow Release Liquid Hemp Oil Polymer is a demonstration case for the design of polymers that can act as skin coverings, and also contain chemicals for pain relief, antibacterial effect, or other symptom treatment that requires continuous contact between the covering and the skin to maximize skin absorption.

Skin absorption is often an inefficient method for compound delivery, as topical formulations are frequently wiped off before all the treatment compound is absorbed. This problem is exacerbated when the localized pain is in a high contact part of the body like the foot, or in a part of the body that is difficult to build coverings that can conform to the shape. As a result, topical treatments are required to have high compound concentrations to deliver dosage during the limited contact period. This is particularly true for compounds with non-polar structures like hemp oil, because the compounds must be delivered in an oil-based application rather than a water-based one.

With the solid liquid polymer coating, which can be molded to irregular anatomy as in the foot, a **more predictable dosage** of treatment chemicals can be provided. This is valuable for closed skin topical treatments such as this demonstration product.

There is also a natural extension of this technology to application with **wound care**. The polymer is safe for human applications and drug/compound delivery to burned skin and wounds caused by blunt trauma, penetrating trauma, diabetic ulceration, and the like.

The proposal is for an initial **non-prescription application**, brought to the market through guidance provided for botanical and natural products by the US Food and Drug Administration, rather than as a new drug or medical device. A specific market is available to act as a **proof of concept for larger innovations**, while also meeting an existing market need. This product will demonstrate the following:

1. The polymer can provide long-lasting, non-irritating skin contact for difficult parts of human anatomy.
2. The polymer can act as a delivery mechanism for non-polar compounds of interest for symptom treatment.
3. Dosage of the compound of interest can be determined by how much skin area is covered.
4. A market exists for topical foot pain relief with the advantages provided by this product, and projected product sales will warrant investment in the technology.

4. Collaborative Relationship

The parties will work in close coordination to define the product specifications for optimal treatment, doses, duration, active material concentration, costs etc., and will outline each party's role in the development of the Slow Release Solid Liquid Hemp Oil Polymer compound for foot pain relief. Parameters such as tissue adherence, solidification time, removal trigger, active material concentrate, its form, and more will be optimized in close collaboration. Budget received will be equally shared 50/50 between the parties to cover each side's relevant expenses. Each party will bare its own expenses and will provide the non-Bird portion of the project. As budget, and as each party contributes its own unique solution to the combined product, the parties intend to split all revenues generated from the final project on a 50/50 base partnership. Each party will hold its own IP, and the parties will have mutual holdings on any new IP generated during the project. The parties are also discussing (in good faith) the option of forming a dedicated JV, based on the above knowledge and product that would be developed, for the marketing of the products to be developed based on this and any subsequent future development of the technology.

5. Commercial Potential:

Over-the-counter foot products represent a billion dollar a year market, divided into several sectors including athlete's foot medication, external analgesics, foot care, foot care devices, nail fungus and nail fungus treatments. A more detailed analysis of external analgesics identifies over 100 products with more than \$100,000 per year in sales. External analgesics also had a 8.6% year over year increase in sales. A caveat regarding the proposed product is that currently not all retailers are selling products containing hemp oil, however greater market acceptance is expected.

One subset of products comparable to the proposed product are foot care grooming masks; a class of consumer products that cover the entire foot in a sleeve to hold medication on the foot during treatment. A single major pharmacy retailer had \$4.6MM in sales of these foot care grooming masks in the most recent 52 weeks from January 20th.

Product	Dollar Sales		
Grand Total	\$4,616,595		
AVEENO FOOT MASK FOOT TREATMENT MASK 1 OZ - 0381371181431	\$1,638,324		
AMOPE PEDIMASK FOOT MASK FOOT TREATMENT MASK 1 OZ - 0051400963261	\$726,524		
KISS FOOT SOOTHERS FOOT TREATMENT MASK .56 OZ - 0731509689011	\$535,175		
OH K FOOT MASK FOOT TREATMENT MASK 1.35 OZ - 5037200089811	\$381,150		
NPW OH K FOOT MASK FOOT TREATMENT MASK .99 OZ - 5037200047311	\$359,843		
DANIELLE CREATIONS MINT FOOT EXFOLIANT FOOT TREATMENT MASK .56 OZ - 0064323268731	\$341,079		
BABY FOOT LAVENDER EXFOLIATING MOISTURIZER FOOT TREATMENT LIQUID 2.4 OZ - 4533213668281	\$298,036		
DANIELLE CREATIONS FOOT MASK FOOT TREATMENT MASK .56 OZ - 0064323268721	\$263,642		
NOBRAND DIVERSIFIED DISTRIBUTION PAPAYA AND CHAMOMILE FOOT EXFOLIANT FOOT TREATMENT MASK 1 OZ - 0050428531551	\$65,283		
HOLLER & GLOW FOOT MASK FOOT TREATMENT MASK .68 OZ - 0840090095931	\$6,532		
KISS FOOT SOOTHERS FOOT TREATMENT MASK .56 OZ - 7315096890131	\$1,006		

Calendar year:	2022	2023	2024
Target market size for developed product (M\$):	639	650	650
Estimated market share (%):	0.4%	1.0%	2.0%
Estimated sales quantity (units):	93,600	112,320	125,000
Estimated representative unit price (\$/unit):	24	24	24
Estimated sales revenue (K\$):	2,246	2,695	3,000
Estimated cumulative sales revenue (K\$):	2,246	4,941	7,941

Authorized Company Officials:

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U.S. Company

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Signatures above do not constitute a legal commitment on the part of either party to undertake the project herein described. Such commitment, if made, will be subject to a separate agreement.